CRS Report for Congress

Military Base Closures: Implementing the 2005 Round

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Prepared for Members and Committees of Congress



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Summary

On November 15, 2002, Secretary of Defense Donald Rumsfeld announced the first significant steps in implementing the new 2005 base realignment and closure (BRAC) law. These were to include development of a force structure plan, a comprehensive inventory of military installations, and establishment of criteria for selecting bases for closure and realignment.

Many communities near military facilities have expressed anxiety about their future — they want to protect their local economies. As a result, support groups have formed and taken initiatives, such as improving the infrastructure near bases and forming partnerships of various kinds with the military.

Some Members of Congress have questioned the wisdom of conducting new closures at a time of insecurity, both at home and abroad. Several Members, in May and June 2003, attempted to delay or cancel implementation of the new round, but such legislative moves failed.

On December 23, 2003, the Pentagon issued its initial criteria for selecting bases to be closed and realigned. In almost every respect, the criteria set forth are the same as in past rounds. Although similar to previous lists, the new criteria place greater emphasis on the need for joint war-fighting capabilities.

On January 6, 2004, the Department of Defense requested base commanders to gather data on their installations in preparation for the new 2005 round. On February 12, 2004, the Pentagon published its final criteria, which were identical to the initial draft's criteria. As a result, some have criticized the overall vagueness of the Department's selection process.

On March 23, 2004, the Secretary of Defense submitted a detailed report to Congress on the need for a further BRAC round. Two days later, the House Armed Services Military Readiness subcommittee held hearings on base closures, at which some Members expressed strong opposition. Others were more conflicted — wanting to support the war on terror, but also worried about future uncertainties.

On March 25, 2004, the General Accounting Office testified before Congress on the new BRAC round. It reported that DOD's 2005 selection criteria followed a framework similar to that employed in prior rounds. It also said that the criteria were generally sound but pointed out that DOD needed to consider the absence of total agency-related and environmental costs in its analyses.

This report will be updated as needed.

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Military Base Closures: Implementing the 2005 Round

Introduction¹

On November 15, 2002, Secretary of Defense Donald Rumsfeld issued a memorandum to senior staff regarding the implementation of the new base realignment and closure (BRAC) round authorized by Congress in 2001.² He emphasized that, as part of the Department of Defense's transformation initiative, "new force structures must be accompanied by a new base structure," and added that "BRAC 2005 should be the means by which we reconfigure our current infrastructure [bases] into one in which operational capacity maximizes both war fighting capability and efficiency." He, then, directed that the process begin immediately. It was, in effect, the formal launching of DOD's 2005 base closure implementation process.⁴

The Secretary of Defense also revealed in his memo a particularly important BRAC 2005 objective, namely examining and implementing opportunities for greater joint activity as a means of achieving a more efficient base structure. He explained that prior BRAC rounds had analyzed functions on a unique service-to-service approach and, therefore, did not benefit from joint examination of functions that cross services. It would appear, for example, that DOD's network of research laboratories, medical facilities, maintenance depots, and testing and evaluation facilities may become prime candidates for consolidation in the next round.

In respect to the selection process, Secretary Rumsfeld declared that DOD would not make any binding closure or realignment decisions prior to the submission of its final recommendations to the new BRAC commission in May 2005. It should be noted, however, that his statement left open the possibility (if not likelihood) of DOD conducting internal, non-binding deliberations.

To underscore the importance of the new BRAC round, Secretary Rumsfeld has created two Office of the Secretary of Defense-level groups to oversee and operate the BRAC 2005 process. First of these is the Infrastructure Executive Council (IEC), chaired by the Deputy Secretary. It serves as the policy-making and oversight body

¹ For prior information on BRAC rounds, see CRS Report RL30051, *Military Base Closures: Agreement on a 2005 Round*, by David E. Lockwood, 15 p.

² U.S. Congress. *National Defense Authorization Act for Fiscal Year 2002* (P.L. 107-107), Sections 3001-3007.

³ U.S. Department of Defense. "Transformation Through Base Realignment and Closure," November 15, 2002.

⁴ Hereafter, any reference in this report to "closure" may also include "realignment."

for the entire process. The second, subordinate group is the Infrastructure Steering Group (ISG), chaired by the Under Secretary of Defense (Acquisition, Testing, and Logistics). It will be responsible for the detailed direction necessary to conduct the BRAC 2005 analyses.

Early Requirements and Developments

In implementing the 2005 round, DOD's first three requirements are (1) to develop a force structure plan, (2) to conduct a comprehensive inventory of military installations, and (3) to establish criteria for selecting bases for closure or realignment.

Force Structure Plan. In regard to the first, the Secretary of Defense must develop a force structure plan based on an assessment of the probable threats to the national security over a 20-year period, beginning with fiscal year 2005. He is also required to estimate the end-strength levels and the major military force units needed to meet such threats. Finally, the Secretary of Defense must estimate the anticipated level of funding that will be necessary to carry out the plan.

Comprehensive Inventory. Second, the Secretary of Defense is required to conduct a comprehensive inventory of U.S. military installations. He must, under the terms of the new BRAC law, determine the anticipated need and availability of military installations outside the United States. In addition, the Secretary of Defense must give special consideration to any efficiencies that might be gained from the use of joint tenancy by more than one branch of the Armed Forces at a military installation.

Selection Criteria. Third, the Secretary of Defense must develop a set of criteria for selecting bases for closure and realignment. He must address a broad range of military, fiscal, and environmental considerations likely to affect closure and realignment decisions. In prior rounds, DOD assigned highest priority to four criteria related to military value. An additional four included return on investment, economic impact, community infrastructure, and environmental impact. The eight selection criteria as proposed for the 2005 round are, in almost every essential detail, the same as those adopted and implemented in the three past rounds.

The bolded sections of DOD's new draft criteria below reveal the pertinent additions, as published in the *Federal Register* on December 23, 2003 (Vol. 68, No. 246, p. 74221-2).

Military Value

- 1. Current and future mission requirements and impact on operational readiness of DOD's total force, including the impact on joint warfighting, training, and readiness.
- 2. Availability and condition of land, facilities, and associated airspace (including training areas suitable for maneuver by ground, naval, and air forces throughout a diversity of climate and terrain areas and staging areas

for the use of the Armed Forces in homeland defense missions) at both the existing and potential receiving locations.

- 3. Ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations to support operations and training.
- 4. Cost and manpower implications.

Other Considerations

- 5. Extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.
- 6. Economic impact on existing communities in the vicinity of military installations.
- 7. Ability of both existing and potential receiving communities' infrastructure to support forces, missions, and personnel.
- 8. Environmental impact, including the impact of costs related to potential environmental restorations, waste management and environmental compliance activities.

Significant features of the new list include (1) reassertion of the overall importance of "military value," (2) increased emphasis on joint war-fighting, training, and readiness, and (3) dependence on local communities to support military missions.

BRAC Developments: 2003

In mid-January 2003, two senior members of the House Armed Services Committee (Representative Gene Taylor and Representative Joel Hefley) expressed the desire to either change or repeal the new base closure law (P.L. 107-107).⁵ Several months later, on May 6, Representative Hefley, chairman of the House Armed Services Readiness Subcommittee, announced he would be receptive to a postponement, but would not offer an amendment.⁶

On May 9, 2003, the Readiness Subcommittee approved its part of the defense authorization bill (H.R. 1588), in which it adopted an amendment by Representative Taylor to repeal the 2005 round. A few days later, however, the full House Armed Services Committee voted to restore the 2005 closings. The chairman, Representative

⁵ Richard H.P. Sia, "Lawmakers Seek to Stop Next Base-Closing Round," *Congress Daily*, January 16, 2003.

⁶ "Panel May Seek Base Closing Delay," Congress Daily, May 7, 2003.

Duncan Hunter, argued that killing the base-closing round would only lead to a veto by the President and make the committee irrelevant.⁷

On May 21, 2003, the White House threatened to veto any bill if it included language delaying or cancelling DOD's ability to conduct another round of closures.⁸

On May 22, 2003, the House passed its defense authorization bill, including a provision that would exempt half of domestic bases from being closed. The bill, also, would require the Department of Defense to maintain a sufficient number of bases to handle a surge in military forces in the event of a future crisis. In final conference action in early November 2003, the "exemption" initiative failed, while the "surge" initiative succeeded (H.Rept. 108-354).

Also, on May 22, 2003, the Senate passed its defense bill (S. 1050). It did not contain any significant domestic base closure language, but did provide authority to create a commission to review overseas bases. In later conference action, however, the overseas bases initiative was dropped. The issue, nevertheless, remained alive. On November 4, 2003, the Military Construction Appropriations Act for FY2004 (Section 128) provided for a commission of eight members to review overseas bases. It further stipulated that appointment of the members must be made no later than 45 days after enactment of the act. 11

On June 4, 2003, Senator Byron Dorgan offered an amendment to repeal the authority for a new base closure round in 2005. He said he could not think of a worse time to consider such a step. Senator Trent Lott, a co-sponsor of the amendment, concurred. He explained that "At this time, we have not properly assessed our needs. We are at war. It sends a terrible signal, and it is bad for the economy." He later suggested that, perhaps, delaying the next round to 2006 might be worth considering." In opposition, Senator Saxby Chambliss said that "putting off the BRAC 2005 round now will only prolong the anxiety in our communities surrounding our military installations." In the final vote, the amendment was defeated 42 to 53—a margin that many might regard as surprisingly close.

In contrast, letters sent to the committees by Pentagon officials strenuously argued that DOD was overburdened with an infrastructure that was simply no longer needed to support the size of the U.S. forces. The Secretary of Defense stressed that

⁷ David Morris, "House Committee Votes for Base Closings in 2005," *Congress Daily*, May 14, 2003.

⁸ Carolyn Skorneck and Pat Towell, "House, Senate Pass Different Versions of Defense Authorization Measure," *CQ Today*, May 23, 2003.

⁹ U.S. Government Printing Office, Congressional Record, November 6, 2003, p. H10659.

¹⁰ P.L. 108-136, signed November 24, 2003.

¹¹ U.S. Congress. House. "Making Appropriations for Military Construction, etc.," (HRept. 108-342), November 4, 2003, p. 10-12.

¹² U.S. Government Printing Office. Congressional Record, June 4, 2003, p. S7288.

¹³ Ibid., p. S7292.

"BRAC provides the opportunity to configure our infrastructure to maximize capability and efficiency." ¹⁴

On July 1, 2003, DOD officials issued a memo reorganizing its installations and environment office in anticipation of the impending 2005 base realignment and closure round. It created a new BRAC directorate that would identify which bases to eliminate. In the past, DOD has acceded to the individual services' recommendations on closures. In the new round, it appears the Office of the Secretary of Defense is poised to exercise a much greater degree of control.¹⁵

The House defense appropriations bill for 2004 included a provision that would close Roosevelt Roads Naval Station, Puerto Rico's largest employer. Several Members of Congress insisted that without the live-fire bombing range on Vieques island, there was little military value in retaining the military base. ¹⁶ The Senate's appropriations bill did not contain language for closing the base.

Under Section 8132 of the Department of Defense Appropriations Act for FY2004 (P.L. 108-87), the Secretary of the Navy was directed to close the Naval Station Roosevelt Roads not later than six months after its enactment, which occurred on September 30, 2003. Virtually all the military activity at the Naval Station has ceased, and military units and functions have been transferred to other installations located in the southeastern continental United States.

The act also required that the closure be carried out in accordance with the procedures and authorities contained in the relevant Defense Base Closure and Realignment Act of 1990, as currently amended.

BRAC Developments: 2004

On January 6, 2004, the Department of Defense requested commanders of installations in the United States, its territories and possessions, to gather information as part of the 2005 base closure round. It stated, however, that no information would be released to the public until after DOD had delivered its list to the independent base closure Commission in the spring of 2005. It also noted that in the past four completed rounds, 85% of DOD's closures and realignments were approved by the Commission.¹⁷

On January 22, 2004, Senator Kay Bailey Hutchison, Chairman of the Military Construction Appropriations Subcommittee, sent a letter to the Pentagon stating that

¹⁴ Ibid., p. S7289.

¹⁵ "Dubois Reforms I&E Office in Bid to Elevate DOD BRAC Influence," *Inside Defense*, July 1, 2003.

¹⁶ U.S. Congress. House. "Department of Defense Appropriations Bill, 2004," (H.Rept. 108-187), July 2, 2003, p. 317.

¹⁷ U.S. Department of Defense. "Department of Defense Begins Gathering Data for BRAC 2005," (News Release), January 6, 2004.

"While military value is important to assessing the necessity of installations, the DOD should also conduct a comprehensive study of U.S. facilities abroad and determine whether existing base structures and locations meet the needs of current and future missions. It would be unwise to close or realign domestic bases that may be needed for troops returning from outdated facilities abroad."

Chairman Hutchison, further, stated that "The DOD should also consider how closing or realignment installations affects our homeland security. The current draft criteria, very similar to that proposed in the previous BRAC rounds, do not fully reflect the security of issues our country faces in the wake of September 11, 2001. Our nation is not dealing with the same threats as we were in 1995 and, therefore, we must develop new strategies to insure the military does not close a base only to later realize its costly mistake." ¹⁸

Efforts to Prevent Base Closures¹⁹

As a result of the impending new round of base closures many community leaders have been searching for ways to protect nearby military installations. In these efforts, they have received much encouragement and financial support from their respective state and local governments. Millions of dollars are currently being spent to improve the infrastructure near bases, with the intent of ensuring their survival.

The Pentagon, with an interest in paring down the military, will be likely looking at bases with only one or two missions, or some other critical vulnerability. At the other end of the continuum is Fort Jackson, SC which, besides including a basic combat and advanced individual Army training program, also is the home of a chaplain school, a drill sergeants' school, the Soldier Support Institute, and the Department of Defense Polygraph Institute.²⁰

In August 2003, leaders in San Antonio, Texas proposed a constitutional amendment authorizing the state to issue \$250 million in bonds to help protect Texas military installations. Local communities, under this arrangement would be able to borrow the bond proceeds at low rates for projects that "enhance the military value" of facilities.²¹

In another example, a non-profit community organization in Shreveport, LA offered to build and refurbish more than 300 housing units at Barksdale Air Force

¹⁸ Press Release by Sen. Hutchison, "Homeland Security, Overseas Basing Should Be in BRAC Criteria," January 22, 2004.

¹⁹ Information in this section, as well as in the next, is derived in large part from two articles by George Cahlink, "Bracing for Closure," *Government Executive*, August 1, 2001; and "White House Threatens Veto of Defense Bill over Limits on Base Closure," *Government Executive*, May 23, 2003.

²⁰ Susanne M. Schafer, "Fort Should Be Safe, Sanford Says," *The Associated Press*, August 26, 2003.

²¹ "Help State Defend Its Military Facilities," San Antonio Express-News, August 25, 2003.

Base — at no additional cost to DOD. The offer was made after many complaints about the inadequacy of its military housing.

In other cases, state "retention" grants have been awarded to help local communities (1) establish links between military bases and state universities; (2) utilize the potential for public-private partnerships; and (3) consider exchanging military land with private developers in return for building new base facilities.

When asked for advice on how to prevent base closures, one leading former defense official answered that the communities should emphasize existing strengths and new partnerships with the military. "Our advice to the communities," he said, "was always the same — make sure the strengths of your facility are known."²²

Addressing the Encroachment Issue

A major concern of many communities, as well as the Department of Defense, is "range encroachment." It is the process whereby a military base is progressively hemmed in by urban growth, competition for air space, protection of an endangered species, and other factors. Such a development can detract from a base's desirability, and thus make it a target for future closure and realignment in the next round.

In the past, the Department of Defense has regarded encroachment as a local government issue over which it had little or no control. According to one Pentagon official, John Leigh, the federal government remained virtually powerless to intervene in local community growth issues. However, laws have been passed in the last few years that now require local jurisdictions to consider the impact of new growth on military readiness when making land-use decisions.²³

An October 2002 study by the National Governors Association draws attention to the rising problem of encroachment in many states. A condensed section of the study follows:

Civilian encroachment is beginning to restrict or eliminate testing and training activities in many locations. Eighty percent of our nation's installations are experiencing urban growth at a rate higher than the national average. Residential and commercial communities are potentially exposed to artillery fire, aircraft noise, dust, and worse yet accidents.

As urban growth and development increase near and around bases, so do landuse conflicts between mission activities and local communities. For instance, many military airports conduct night training exercises. The city lights of encroaching development often compromise the effectiveness of night vision equipment, making night training exercises impractical.

²² Cahlink, op. cit.

²³ Lara Beaven, "Encroachment Likely to 'Loom Large' in 2005 Base Closure Round," *Inside Defense*, August 13, 2002.

The extent of urban encroachment and its effect on operational activity of an installation is a consideration in determining its future viability, and such mission constraint can lead to activity reductions or even closures. The resulting reduction in installation personnel and mission activities can jeopardize economic activity, jobs, and tax revenues. Encroachment puts local and state economies at risk.²⁴

The FY2003 defense authorization act (P.L. 107-314) included a natural resource conversion provision that addressed the impact of land development on military installations. The Pentagon argued that environmental requirements placed serious limitations on the use of certain lands. As a result, Section 2881 authorized the Secretary of Defense to create conservation buffer zones outside its installations to help prevent urban sprawl, while also providing habitat for endangered species. Environmental advocates have argued that DOD needs to work more closely with developers and local officials, who are likely to be focused on increasing the area's tax base.

The FY2004 defense authorization conference report requires the Secretary of Defense to conduct a comprehensive study on the impact of various types of encroachment issues affecting military installations and operational ranges. The report must be completed not later than January 31, 2006.²⁵

DOD Implements Selection Criteria

On December 23, 2003, the Pentagon issued its *initial criteria* for selecting bases for closure and realignment, sending it to the *Federal Register* for public comment as required by law.²⁶ DOD stated that it would take into consideration military installations' current and future capabilities, cost and manpower, location availability, economic impact on communities, ability to support personnel, and environmental impact. In addition, the President is required to certify that there is need for a new BRAC round and that there will be an annual net savings by the end of FY2011.

On February 12, 2004, the Pentagon published its *final criteria* for the 2005 round. The criteria were identical to the initial draft version, leading some who took advantage of the opportunity to comment on the process, to criticize the Department's selection. The principal concern among commentators regarding the final criteria seems to be its overall vagueness. Representative Sam Farr raised the issue on the same day in the House appropriations subcommittee hearings on military

²⁴ National Governors Association, "Military Installations Pressured by Sprawl," October 11, 2002, p.1.

²⁵ H.Rept. 108-354. U. S. Government Printing Office, *Congressional Record*, November 6, 2003, p. H10577-8.

²⁶ Federal Register/Volume 68, No. 246/Tuesday, December 23, 2003, p. 74221-2.

construction. He stated that the criteria were so broadly constructed that they could suit almost any desired outcome.²⁷

In reply to this charge, the Pentagon explained that, "The inherent mission diversity of the military departments and defense agencies makes it impossible for DOD to specify detailed criteria. Broad criteria allow flexibility of application across a wide range of functions within the Department."²⁸

The 2005 base closure law provided Congress with the option of passing an act of disapproval regarding the final selection criteria. It set a deadline of March 1, 2004, for undertaking such an action. The deadline having passed without congressional action, DOD's finalization of the selection criteria for closing bases automatically took place.

DOD Sends Report to Congress

On March 23, 2004, as part of the budget justification required by Congress each year, the Secretary of Defense submitted a detailed report on the need for a further BRAC round. He also certified that an additional round of closures and realignments would result in annual net savings for each of the military departments, beginning not later than FY2011.²⁹ Absent the certification, the 2005 base closure round would have been cancelled.

In the report, DOD developed a long-range force structure plan based on the probable threats to national security from 2005 to 2025. It also constructed a comprehensive installation inventory, arrayed by military department and by active and reserve component installations. To assess the amount of excess infrastructure anticipated in FY2009, DOD used the parametric analytical approach that it used in a similar earlier 1998 assessment.³⁰

The DOD report focused on major U.S. installations across broad categories, rather than the entire inventory, which includes myriad smaller sites. In addition, DOD weighed the anticipated continuing need for installations outside the United States, as well as any efficiencies that might be gained from joint tenancy. Also, DOD used its experiences with prior rounds to assess the economic effects of base closures and realignments on communities in the vicinity of affected installations.

²⁷ U. S. Congress. House. Committee on Appropriations, Subcommittee on Military Construction. Hearing on FY2005 Military Construction Appropriations (BRAC), February 12, 2004, p. 17.

²⁸ Elizabeth Kenny, "Base Closure Criteria Lists Finalized," *Portsmouth Herald*, February 13, 2004.

²⁹ U. S. Department of Defense. "Report Required by Section 2912 of the Defense Base Closure and Realignment Act of 1990, as amended through the National Defense Authorization Act for FY2003," March 2004, p. 1.

³⁰ Ibid., p. 2.

The report estimated that DOD possessed, in aggregate, 24% excess installation capacity. It pointed out, however, that "only a comprehensive BRAC analysis can determine the exact nature and location of potential excess." It then went on to explain that DOD would conduct a thorough review of its existing infrastructure in the coming year, ensuring that all installations will be treated equally and evaluated on their continuing military value to the nation.³²

The release of DOD's report was followed, on March 25, 2004, by a House Armed Services Military Readiness subcommittee hearing on base closures, at which some Members voiced strong opposition to the timing of the new round. Others were more conflicted — wanting to support the war on terror, on the one hand, but also concerned about the many open-ended challenges facing DOD and the country, on the other.³³

On the same day, the General Accounting Office issued a report on the new BRAC round. It stated that DOD's 2005 selection criteria followed a framework similar to that employed in the four prior rounds. It also said that the criteria were generally sound but pointed out that DOD needed to consider, in its analyses, the absence of total agency-related and environmental costs.³⁴

Looking Toward the Next Step

Under the current 2001 base realignment and closure statute, the President is required to nominate nine members to the independent base closure Commission no later than March 15, 2005. He has the authority, however, to ignore the directive — with the result that the BRAC round would be automatically cancelled.³⁵ The President would have a second option to terminate the BRAC process when he is required to forward the final list of BRAC actions to Congress, no later than November 7, 2005.

³¹ Ibid., p. 3.

³² Ibid.

³³ U.S. Congress. House Armed Services Military Readiness Subcommittee. "2005 Base Realignment and Closure (BRAC) Process," March 25, 2004.

³⁴ U.S. General Accounting Office. "Military Base Closures: Observations on Preparations for the Upcoming Base Realignment and Closure Round," (GAO-04-558T), March 25, 2004, p. 3.

³⁵ U. S. Congress. House. "National Defense Authorization Act for Fiscal Year 2002," (P.L. 107-107, December 12, 2001.

Appendix: 2005 BRAC Time-line

The time-line below identifies the key actions involving the 2005 base closure and realignment round. The most important decisions are those of the President and Congress, which have the opportunity, in each of two cases, to completely shut-down the overall BRAC process (see bold underlining).

Sec/Def must publish initial selection criteria in the <i>Federal Register</i> by:	December 31, 2003
• GAO must complete review of Sec/Def criteria by:	January 28, 2003
Sec/Def must publish final selection criteria in the <i>Federal Register</i> by:	February 16, 2004
Sec/Def final criteria becomes effective (unless disapproved by Act of Congress)	March 15, 2004
President must nominate Commission members by: (or BRAC process is terminated)	March 15, 2005
Sec/Def must send closure list to Commission, as well as to defense committees by:	May 16, 2005
• GAO must complete review of Sec/Def list by:	July 1, 2005
Commission must send closure list to President by:	September 8, 2005
• President must approve/disapprove by:	September 23, 2005
• Commission may revise list, but no later than:	October 20, 2005
President must certify Commission list by: (or BRAC process is terminated)	November 7, 2005
Congress has 45 days to pass motion of disapproval (or Commission's list becomes law)	
Termination of base closure Commission authority	April 15, 2006